

## Romania

*Capital:* Bucharest  
*Population:* 21.5 million (July 2007)  
*GDP:* 121,300 million EUR (2007)  
*Currency:* RON  
*Language:* Romanian  
*2<sup>nd</sup> languages:* English, French



### Summary

#### Romanian Motor Vehicle Market 2007 (EUR millions)

Car (motor vehicles market)	2006	2007 (approximations)
A) Total Market Size	3,900	4,850
B) Total Local Production	1,600	1,800
C) Total Exports	505	860
D) Total Imports	2,900	3,800
E) of which: Imports from the US	48.5	35

The  
above  
statistics  
are

unofficial estimates.

The Romanian market has taken the lead in Central and Eastern Europe in terms of the increase in the import of new vehicles. Imports have surged to by 290% in 2004-2006 up from only 95% in 2001-2003 (according to a study conducted by Unicredit Group). Sales on the domestic vehicles market have experienced an appreciation from 72,000 units sold in 2001 to well above 360,000 units in 2007. This development rhythm has left Bulgaria, Turkey and the Czech Republic trailing Romania.

The boost to the automotive sector has led to the appreciation of the foreign direct investment within this realm. According to Unicredit analysts, Romania ranked 5<sup>th</sup> as investment destination in 2005, thereby attracting 5% of the EUR 21,58 billion ploughed into the development of automotive production facilities. The biggest share of the investment was attracted as a byproduct (externality) of the Renault's activity at the Automobile Dacia. By that measure Romania ranked top of the list according to the production appreciation rate that stood at an average 30% in 2002-2006.

Taking the appreciation of the exporting rhythm within this realm into account, Romania comes out top with a 300% rate in 2004-2006. Over this period, automotive exports accounted for 5% of the EUR 60bn EU worth in Central and Eastern European automotive exports.

The Romanian auto market is very active; it has been constantly growing for some years in a row now, which is practically unique in Europe. Strong economic growth and rising levels of personal disposable income have boosted automotive demand in Romania.

Car ownership has increased significantly over the past three years, despite relatively low levels of disposable income, to an estimated 160 cars per 1,000 people in 2006. According to the Global Insight Study, the average for the new EU members was 186 cars and for the Western EU member it was 508 cars. Car ownership is heavily concentrated in and around the capital, Bucharest, where ownership rates are double the national average.

## Market Entry

U.S. exporters must comply with EU and national legislation when it concern type approvals of vehicles and parts.

## Main Competitors

U.S. suppliers generally will face strong competition from European suppliers (see the table below). As regard balance trade in 2007 with the USA, even it is a total deficit of 26,6 million EUR, for the automotive parts area it is shown a surplus of 7.5 million EURO, imports registered only 1.1 million EUR while exports registered 8.6 million EUR. In fact, for this sector it is a general surplus as exports exceeded imports significatively.

### Import / Export Overview (values in EURO)

2007	AUTOMOTIVE SECTOR		MOTOR VEHICLES		AUTOMOTIVE PARTS	
	IMPORT	EXPORT	IMPORT	EXPORT	IMPORT	EXPORT
<b>EU 27 intra</b>	4.508.917.623	1.563.393.255	3.606.608.641	581.238.404	902.308.982	982.154.851
<b>USA</b>	35.321.546	8.666.425	34.222.865	0	1.098.681	8.666.425

The above figures are based on motor vehicles (CN 8702 – 04) and automotive parts (CN 8708, 8512).

## Current Market Trends

The Romanian automotive industry has been one of the most profitable branches of the economy in recent years and has been attracting increasing foreign investor interest. Opportunities in the automotive market have yet to be fully exploited by companies already operating within the region, or still considering their entry into this marketplace. Auto components manufacturing has moved out of mature economies into the strong growth Romanian economy. Local production is mainly export oriented and serves many of the top car brands worldwide.

## Current Demand

The auto components and accessories market has evolved spectacularly, mainly due to foreign investment made in Romania in this sector. Global players are placing production in Romania and structuring their component sales for both the internal market and also for export markets. Taking into account these considerations, we could see as best prospects for the near future the following areas:

- manufacturing automotive spare parts & components;
- manufacturing or distribution of car accessories: GPS devices, anti radar systems, car security premium systems, Hi-Fi car audio devices (electronic and information device parts);
- establishing workshops (even in franchise system) especially designed for install the cars' accessories.

## Trade Shows

SIAB – Bucharest International Motor Show

Type - Passenger cars, LCVs, spare parts and accessories, lubricants, services  
Date: Odd years. The next edition is in October 4-14, 2009

### **Available Market Research**

Romanian Automotive Market (May 2008)

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